

## **CAL-Card Frequently Asked Questions**

**1. *Are there a minimum number of cards or spend required to start a program?***

There are no minimum card count or dollar spend requirements within the CAL-Card Program.

**2. *What are the terms for payment?***

Payment terms are 45 days from the date of each monthly statement of account/invoice.

**3. *What is the interest rate?***

This program is set up for accounts to be paid in full each invoice/billing period. For unpaid, undisputed balances 46 days or older, there is a late payment interest rate established annually by the Department of Finance according to the State's Prompt Payment Act. The current annual rate is 4.445%. If the accrued annual penalty amount is seventy-five dollars (\$75) or less, the penalty shall be waived and not paid by the agency. Please see the Budget Letter in Section 7 for further information. State agencies are required to report late payment to Department of General Services.

**4. *Does the CAL-Card have a rebate program?***

Yes, the CAL-Card offers a Payment Performance Rebate, which is calculated on a monthly basis and refunded to each agency that has met the full invoice payment requirement within 61 days of the calendar end of each quarter. Full invoice payment is defined as total invoice payment received by U.S. Bank, minus any disputed transactional dollars, fraudulent charges, charge backs, and amounts charged-off by U.S. Bank.

To calculate the Payment Performance Rebate, count the number of days from cycle date to the date the payment is issued. For example, an invoice for \$10,000 is received with a cycle date December 22<sup>nd</sup> and the payment is issued on January 10<sup>th</sup>. Payment was issued by the 18<sup>th</sup> day. Looking at the chart below, 18 days would qualify for 35 (0.35%) Basis Points. The amount of the Payment Performance Rebate would be calculated at follows:

$$0.35\% \times \$10,000 = \$35.00$$

**See the Payment Performance Rebate Schedule on the following page.**

## Payment Performance Rebate Schedule

Receipt of Payment from Invoice Date	Basis Points
1 to 3 days	62 (0.62%)
4 to 7 days	56 (0.56%)
8 to 12 days	48 (0.48%)
13 to 16 days	41 (0.41%)
17 to 20 days	35 (0.35%)
21 to 24 days	28 (0.28%)
25 to 28 days	22 (0.22%)
29 to 32 days	15 (0.15%)
33 to 36 days	9 ( .09%)
37 to 40 days	2 ( .02%)

**5. *What are the established transaction increments per card?***

Transaction limits can be set in \$50 increments per cardholder, per transaction and in \$100 increments per cardholder for the monthly total up to a maximum of \$25,000 or the assigned state agency delegation authority, whichever is greater.

**6. *What does "I.M.P.A.C." represent?***

U.S. Bank I.M.P.A.C. Government Services, the current Contractor, uses the Service Mark, I.M.P.A.C. These initials stand for International Merchant Purchase Authorization Card. I.M.P.A.C. is the division within U.S. Bank that manages the government purchase card program.

**7. *Who is responsible for errors, omissions, and intentional misconduct by an agency or an employee?***

The state, each participating university or each participating subdivision is responsible for their own errors and omissions. When a card has unauthorized charges, a dispute process procedure is followed freeing the agency from financial responsibility. When unauthorized charges are made by an employee, U.S. Bank I.M.P.A.C. Government Services provides VISA Liability Insurance coverage within specific program criteria, provided that the employee is terminated.

**8. *Is there an annual card fee?***

No. When the CAL-Card program was initially established there were provisions for an annual card fee to begin after a given time period. However, through prior contract negotiations the card fee was deleted from the contract.

**9. *Can a Cardholder make telephone orders?***

Yes. A Cardholder can place telephone orders or make walk-in purchases using the CAL-Card. Whether placing orders in person, online, fax or over the telephone, Cardholders should always request the transaction receipt. Remember to use only secured sites when placing orders on the Internet.

**10. *What does a Cardholder do if their CAL-Card is lost or stolen?***

The Cardholder should immediately contact their Agency Program Coordinator and call U.S. Bank Customer Services to report the lost card. U.S. Bank has a 24-hour a day, 7 days a week, Customer Service number for reporting lost or stolen cards. The number is 1-800-227-6736. A new account with a new card will be established; transferring acknowledged approved charges to the new account.

**11. *Which merchants accept the CAL-Card?***

The CAL-Card is a VISA purchase card. Any merchant that can accept a VISA credit card as a form of payment can accept a CAL-Card.

**12. *What if the merchant does not currently accept a VISA credit card, but desires to become a VISA merchant?***

The merchant may contact U.S. Bank for merchant/supplier set up, toll free, at 1-888-434-0244. All merchant questions regarding U.S. Bank's card processing will be answered. Also, the merchant should be encouraged to evaluate various bank card-processing programs to determine which financial institution best meets their needs.

**13. *Who should be involved in the development of an agency's CAL-Card Program procedures?***

The development of the procedures should include cross-organizational staff. All stakeholders should have a part in the development of your agency procedures (the Agency Program Coordinator, Approving Official(s), Cardholder(s), staff from Fiscal, Accounting, Purchasing, Receiving, and Budget Managers).

**14. *What happens if a Cardholders statement shows an incorrect charge?***

A "Cardholder Statement of Questioned Item (CSQI)" form is available to document and dispute questionable charges. The Cardholder is responsible for completing and submitting the CSQI form to U.S. Bank I.M.P.A.C. Government Services within 60 days from the Statement of Account date. A copy of the dispute form (CSQI) is added to the Cardholder Statement packet and a copy is immediately faxed or mailed to U.S. Bank I.M.P.A.C. Government Services. The Cardholder works with the merchant or immediately takes whatever corrective action is necessary to resolve the dispute. The disputed amount is deducted from the Statement of Account total with the balance approved for payment.

**15. *Can the CAL-Card be used for emergency purchases?***

Yes, provided that your agency's procurement rules for emergency purchases are followed. In emergency situations, some agencies elect to temporarily raise card limits to accommodate emergency purchases. For state agencies, as in any instance of emergency, your agency's management approval is likely required. This should be further supported by a justification to maintain the public health, welfare, or safety and/or the supplies or services needed in an emergency situation.

**16. *Can the CAL-Card be used for travel expenses?***

**STATE AGENCIES:** No. The CAL-Card cannot be used for travel per diem expenses: air or ground transportation, lodging, and meals. The State has contracts in place for air travel, car rentals, and an American Express travel expense credit card for all other travel expense needs.

**LOCAL AGENCIES:** Local Agencies can use the CAL-Card for travel expenses, if it falls within the agencies CAL-Card program guidelines. Check with your Agency Program Coordinator or fiscal management for direction.

**17. *What authority is required for State agencies to purchase with the CAL-Card?***

State agencies are required to have an established Delegation Authority to purchase with the CAL-Card. Batches submitted to the State Controller's Office for payment of CAL-Card invoices must reference the agency's Delegation Authority number. CAL-Card transactions made on state contracts must reference the contract number and a subtotal for the amount spent on the contract.

**18. *What "tools" are available to agencies wishing to set up a CAL-Card Program?***

The National Account Managers for U.S. Bank I.M.P.A.C. Government Services provide the contract addendum in either hard copy, electronic copy or on disk. They can walk you through this process, fill in the blanks with your agency information, and send you a copy for your editing, review, and approval process. In addition, they will help you set up your Cardholders, Approving Officials, and Agency Program Coordinator documentation. See Section 2, Phone Contact Lists, for U.S. Bank Account Manager contact information.

On our web site, [www.pd.dgs.ca.gov](http://www.pd.dgs.ca.gov), we have "boilerplate" guidebooks available online for the Cardholder, Approving Officials, Billing Office, and Program Coordinators. These are basic program procedures to help agencies build their own unique materials, which guide them from point A to B. In addition, we have a program orientation video available. The video explains the program and the responsibilities of the Program Coordinator, Cardholder, Approving Officials, and the Billing Office.

**19. *Is there an on going support group and continuous improvement effort for CAL-Card programs?***

Yes. CAL-Card has a very active User Group. The group meets on a quarterly basis in northern and southern California to address current CAL-Card issues, conduct case studies, and guest speakers on procurement card related subjects. These meetings are well attended, averaging 70 to 80 state and local representatives along with CAL-Card and U.S. Bank representatives. The meetings are scheduled and the agenda is mailed, in advance, to interested agencies. Call Judith Burnett of the CAL-Card Team, (916) 375-4578, to have your name added to the User Group mailing list.

**20. *Can the CAL-Card be used for both commodities and services?***

Yes. The CAL-Card can be used to procure commodities and services, provided that the purchase is within the authorized CAL-Card dollar limit. The CAL-Card may also be used for purchases from California Multiple Award Schedules (CMAS) and Master Agreements. The purchase must be in accordance with the authorized dollar limits, State laws, rules, and Delegation Authority guidelines, all applicable policies and procedures, specific contract terms, or specific agency requirements. The tracking and reporting of services for 1099 reporting purposes is the responsibility of the participating agency. Taxpayer identification information is available on a quarterly basis via U.S. Bank I.M.P.A.C. Government Services, R900 Merchant Activity report to assist in 1099 reporting. However, it is still the participating agency's responsibility to collect the state agency Std. 204, Payee Data Record form and for local agencies the Internal Revenue Service W-9 form.

**21. *Are state agencies required to collect Payee Data Records, Std. 204 form for CAL-Card transactions?***

Yes. All transactions of \$600 or more per year with service suppliers are to be reported to the Franchise Tax Board for 1099 reporting. State agencies are required to have a completed Payee Data Record, Std.204, on file for each reportable service supplier. In addition, agencies are required to report certain reportable spends to the Employment Development Department.

**22. *Can more than one person charge on a single card?***

No. Cards are issued in the individual Cardholder's name with a signature required on the reverse side of the card. If an attempt to purchase is made by a person other than the Cardholder, the transaction can be declined and the card can be confiscated.

**23. *Can a Cardholder be restricted in the types of items to be purchased?***

Yes. The CAL-Card Program contract has an established Merchant Category Code Table. Each card can have access to specific categories according to purchasing needs. The Agency Program Coordinator can contact U.S. Bank I.M.P.A.C. Government Services to activate or block codes, as needs change.

**24. *How can a Cardholder be prevented from over spending?***

Each card can be set up with a maximum single transaction, daily, monthly, quarterly and annual maximum spending limits, not to exceed assigned state agency Delegation Authority or \$25,000. Higher limits are available upon approval of the Department of General Services (for state agencies) and U.S. Bank. In addition, limits can be placed on the number of transactions per day and per month for each cardholder. If established limits are exceeded, the transaction will automatically be declined.

**25. *What if there is a need to increase a single transaction or monthly total expenditure amount?***

Your Agency Program Coordinator can contact U.S. Bank I.M.P.A.C. Government Services Customer Services 24 hours per day 7 days a week to change cardholder limits and controls. These changes can also be made electronically via the Customer Automation Reporting Environment (C.A.R.E.). For more information on C.A.R.E., see the contract, MSA 55-CC-02, Exhibit F, Electronic Access, pages 15-20.

**26. *Can the Cardholder or an Approving Official change merchant category codes, transaction limits or monthly expenditure limit amounts?***

No. Only the Agency Program Coordinator can establish a new Cardholder, delete Cardholders, or make any changes to established card limits and merchant category codes.

**27. *Can the CAL-Card be used for cash advances?***

No. The CAL-Card cannot be used for cash advances. Cash advances and other high risk or cash-related merchant category codes are excluded from the CAL-Card Program. The listing of high risk or cash-related merchant category codes are provided within the contract, MSA 55-CC-02, Exhibit A, page 32. If an attempt is made to purchase one of these high-risk cash-related items, the transaction will automatically decline. A management information report is generated each cycle providing information on each card-declined activity.

**28. *How can a Budget Manager ensure budget amounts are not exceeded?***

Budget managers should be included in the account setup process for your CAL-Card program and should be involved in establishing a Cardholder's expenditure limits to ensure budgetary control. Budget Managers/Approving Officials are automatically provided monthly summary reports which allow for review of card activity.

**29. *What does a Cardholder do if they have a problem using the CAL-Card? For example, they attempt to use the card at their local merchant and the charge is declined.***

Allowing time for the transaction activity data to be communicated to U.S. Bank I.M.P.A.C. Government Services, normally 24 hours, the Cardholder can contact U.S. Bank I.M.P.A.C. Government Services, Customer Services, to inquire as to why the decline occurred. Typical decline reasons include:

- Card not activated
- Card spend or transaction limits have been reached
- Merchant code is blocked

Cardholders, working through their Approving Official should contact their Agency Program Coordinator, if they feel that their merchant blocking or card limits should be adjusted.

**30. *If the master contract between the State of California and U.S. Bank I.M.P.A.C. Government Services is amended, must I amend my addendum to the contract also?***

No. Each addendum to the master contract contains the following language, which incorporates all past and future amendments:

“Master Services Agreement DGS MSA 5-00-CC-02 and its amendments are incorporated by reference and made a part of this agreement.”

**31. *What are the real costs to an agency for participating in the CAL-Card program?***

The CAL-Card is a “no cost” program. The CAL-Cad has several electronic solutions. One option, SuperTracs has a one-time connection fee of \$500 to \$700, if agencies choose to utilize SuperTracs. SuperTracs provides a password protected electronic connection with U.S. Bank I.M.P.A.C. Government Services for transmitting billing documents and reporting information. See MSA 5-00-CC-02, Exhibit F, Electronic Access, pages 15-20, for information on all CAL-Card electronic access solutions.

**32. *Specify the number of working days, after the signing of a contract, within which the contractor will meet with staff to discuss the procurement card program.***

U.S. Bank has three National Account Managers assigned to implement new participants. State of California, Department of General Services receives and forwards all Requests to Participate to U.S. Bank Account Managers. The assigned Account Manager will contact the agency within 2 days. U.S. Bank stands ready to move at whatever pace the agency requires to establish the program once an addendum to the contract is signed and credit review has been completed by the U.S. Bank I.M.P.A.C. Government Services. Credit review, for local government agencies, will take no more than 2 weeks. During this time program implementation meetings may take place.

**33. *Describe capabilities for designing and supplying a card identified as a local agency Procurement Card.***

The local agency's name can be embossed on each CAL-Card. The agency also has the option of adding their agency seal or logo as a graphic on the card. All CAL-Cards will have "CAL-Card, DGS, – For Official Use Only" printed on the card. CAL-Card is a Service Mark for the State of California purchase card program.

**34. Are you capable of placing a digitized picture ID on each procurement card? If so, is there an associated cost for placing the individual's picture ID on the card?**

No. This option is not available.

**35. Describe liabilities for (1) Issuer, (2) Participation Agency, (3) cardholder for the following:**

**-Fraudulent use of the card by cardholder  
-In the event a card is stolen, forged, or lost  
-If a merchant accepts a procurement card order without obtaining prior authorization or forces a transaction for the purchase**

- The Agency is liable for fraudulent use of the card by a Cardholder. However, each CAL-Card has VISA Liability Waiver coverage up to \$5,000 per card if the agency has 2 to 4 valid cards and up to \$15,000 per card if agency has 5 or more valid cards. VISA Waiver Liability is available upon written request provided the Agency cancels the card account and terminates the employee in a timely manner.
- In the case of a lost or stolen card the agency's liability ends as soon as U.S. Bank is notified that the card is lost or stolen. Fraudulent transactions posted to the account are referred to the U.S. Bank's fraud investigation unit.
- A merchant who does not receive authorization or forces a transaction on a charge is liable for that charge.

**36. Is a report available that tracks purchases by city, state, and zip code?**

Yes. The 998-transaction file. This flat file can be converted to spreadsheet and data can then be sorted to the agency's needs.

**37. What is the term of the current contract?**

The current contract term is:

- December 22, 2000, through December 22, 2006  
(Two years fixed, plus four, one year options for extension)

**38. Is there an option for a multiple billing cycle?**

Yes. Larger CAL-Card programs can now go to a multiple billing cycle to better disburse workflow in the monthly reconciliation to payments process. U.S. Bank's platform provides multiple billing cycle dates between the third (3<sup>rd</sup>) and the twenty-seventh (27<sup>th</sup>) of any given month.

**39. Does the Master Service Agreement require participating agencies to complete a new "Addendum" each Fiscal Year?**



No. Agencies need only complete one Addendum document referencing their starting date through to the end of the Master Service Agreement term, December 22, 2006. If an agency wishes to end the agreement, they simply provide written notice, 30 days in advance of their desired end date.

**40. What are the automation interface requirements for C.A.R.E.?**

C.A.R.E. performance can be impacted by several factors that users can control. C.A.R.E. works best when the following hardware and software requirements are met:

- Pentium 120 MHz Processor
- Windows 95, 98, or NT 4.0 or higher
- 33.6K or higher modem or a LAN connection
- 32 MB RAM or higher
- Internet Explorer 4.01 with 128 bit encryption or Netscape Communicator 4.5 or higher

For optimal performance within C.A.R.E., it is recommended that you load Microsoft Internet Explorer 4.01 or Netscape Communicator 4.5 or higher. Contact your information technology manager regarding how to access or upgrade these browsers.

As with all other large Windows based applications, C.A.R.E. works most efficiently if all other computer applications are closed. Check with your LAN administrator(s) about how to increase your Internet access speed.

**41. Using C.A.R.E., what is the lowest office limit that can be set for an Approving Official?**

\$100.00

**42. What is the format for the “effective date” field on the Account Options tab in the Cardholder Set up?**

MM/DD/YYYY

**43. Should the Cost Allocation Rule Set Name on the Financial tab in the Managing Account Set Up be changed to Standard Rule Set – CA?**

Yes

**44. Can multiple Filed Tasks be selected and submitted at the same time?**

It is recommended that each task be submitted separately. This relates to the user's Internet connection and firewalls, some users have lost account set-ups by submitting more than one at a time. (Multiple Filed Tasks can be selected and deleted at the same time.)

**45. What is the difference between Daily Dollar and Daily Purchase limits on the Financial Control tab in the Cardholder Set Up?**

Daily Dollar = The amount per day that a cardholder can withdraw in cash. **(Per the contract terms, cash advances are not available for CAL-Card users).**

Daily Purchase = The dollar amount per day that is available to a cardholder for CAL-Card purchases.

**46. How many times can a user click create Card during a given timeframe before it becomes a fraud issue and the user can no longer request a new plastic for an account?**

Each time a new card is issued, the previously issued card will be inactivated; therefore this is not a fraud issue.

**47. Where can I acquire an electronic version of the C.A.R.E. Reference Guide?**

It is available on the U.S. Bank website [www.calcard.com](http://www.calcard.com).

**47. What is the telephone number for C.A.R.E. related technical questions?**

Contact C.A.R.E. Technical Support at 800-254-9885.

**48. What should I do if a merchant does not charge sales tax?**

If a merchant is registered to do business in the State of California but did not charge sales tax you may request a new invoice with sales tax included or your agency can just declare the tax on the reporting document to the State Board of Equalization.

If the merchant is located in another state and not registered to do business in the State of California the merchant should not collect sales tax; however, they may collect use tax as a courtesy to your agency. If the merchant charged a use tax, your agency does not need to report the amount to the Board of Equalization. If your agency was not charged the use tax, you do need to report the use tax amount to the Board of Equalization. The use tax rate should be the same as the sales tax rate at the location where the goods are used or consumed.

**49. What should I do if the sales tax rate charged is different than the rate at my location?**

If a merchant is registered in the State of California but ships from an out of state location they should charge the sales tax rate at the location where the goods are used or consumed. You may request a new invoice or your agency can just report the correct rate to the Board of Equalization. If the merchant charges 7.25% and your rate is 8.25% your agency is responsible for reporting and paying at the 8.25% rate.

**Questions?- - Board of Equalization 1-800-400-7115 Mon.- Fri. 8:00- 5:00**